

IOWA CENTRAL COMMUNITY COLLEGE

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

June 30, 2008

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OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Directors <i>(Before September 2007 Election)</i>		
Mark Crimmins	President	2009
Dr. John Hodges	Vice President	2008
Thomas Chelesvig	Member	2008
Garland Hanson	Member	2009
Deborah Plahn	Member	2007
Darrell Determann	Member	2007
Connie Smith	Member	2008
Douglas McDermott	Member	2007
Larry Hecht	Member	2009

Board of Directors *(After September 2007 Election)*

Mark Crimmins	President	2009
Dr. John Hodges	Vice President	2008
Thomas Chelesvig	Member	2008
Garland Hanson	Member	2009
Deborah Plahn	Member	2010
Darrell Determann	Member	2010
Connie Smith	Member	2008
Douglas McDermott	Member	2010
Larry Hecht	Member	2009

Community College

Dr. Robert Paxton	President
Thomas Beneke	Vice President
James Kersten	Associate Vice President
Marlene McComas	Vice President
Karen Lombard	Board Secretary/Treasurer

IOWA CENTRAL COMMUNITY COLLEGE



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa 50501

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and its discretely presented component unit as of and for the year ended June 30, 2008, which collectively comprise the College's basic financial statements listed in the table of contents. These financial statements are the responsibility of Iowa Central Community College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of Iowa Central Community College and its discretely presented component unit at June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2008 on our consideration of Iowa Central Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 10 and 31 through 32, respectively, are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iowa Central Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in blue ink that reads "Schnur + Company L.L.P." The signature is written in a cursive, flowing style.

Fort Dodge, Iowa
December 22, 2008

IOWA CENTRAL COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa Central Community College provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- College operating revenues increased in FY08. Tuition revenue increased due to the increase in the tuition rate per credit hour and due to the increase in enrolled credit hours. Auxiliary enterprises revenues increased due to the increase in bookstore sales, the increase in the number of students in College housing and the increase in the College self-funded employee health plan reserve, and the increase in revenue due to the College operation of the Health & Fitness Center and the College management of Willow Ridge Golf Course. Plant fund revenue increased due to the sale of land and the transfer in of state funds for construction of a fire tower.
- College operating expenses increased in FY08 due to salary and benefit increases and the increase in part-time salaries because of the increase in student enrollment, the increase in professional services, the increase in start-up costs for new programs, and the increase in materials, supplies, and travel. Older buildings and the deferral of maintenance and repair of buildings over the years, and the addition of new buildings, continues to cause higher physical facility expenditures.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the College's financial activities.

The Basic Financial Statements consist of a statement of net assets, a statement of revenues, expenses and changes in net assets and a statement of cash flows. These provide information about the activities of the College as a whole and present an overall view of the College's finances.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the College's budget for the year, and Supplementary Information provides detailed information about the individual funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE AS A WHOLE

The Statement of Net Assets

The Statement of Net Assets presents the assets, liabilities, and net assets of the College as a whole, as of the end of the fiscal year. The Statement of Net Assets is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The Statement of Net Assets includes year-end information concerning current and non-current assets, current and non-current liabilities, and net assets (assets less liabilities). Over time, readers of the financial statements will be able to determine the College's financial position by analyzing the increases and decreases in net assets. This statement is also a good source for readers to determine how much the College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

	Net Assets	
	June 30,	
	2008	2007
Current and other assets	\$ 45,070,742✓	\$ 25,177,167
Capital assets, net of accumulated depreciation	33,823,757✓	29,961,405
Total assets	78,894,499	55,138,572
Current liabilities	19,576,373✓	13,609,251
Noncurrent liabilities	33,365,000 ✓	19,195,000
Total liabilities	52,941,373✓	32,804,251
Net assets:		
Invested in capital assets, net of related debt	17,265,902✓	15,826,405
Restricted	1,536,032 ✓	1,998,106
Unrestricted	7,151,192✓	4,509,810
Total net assets	\$ 25,953,126✓	\$ 22,334,321

The largest portion of the College's net assets (67%) is invested in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (6%) includes resources that are subject to external restrictions. The remaining net assets (27%) are the unrestricted net assets that can be used to meet the College's obligations as they come due.

Statement of Revenues, Expenses and Changes in Net Assets

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. The purpose of the statement is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE AS A WHOLE (Continued)

Statement of Revenues, Expenses and Changes in Net Assets (Continued)

In general, a public college such as Iowa Central Community College, will report an operating loss since the financial reporting model classifies state appropriations and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituents of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

Changes in Net Assets

	Year ended June 30	
	2008	2007
Operating revenue:		
Tuition and fees	\$ 12,747,258 ✓	\$ 11,331,682
Federal appropriations	6,249,882 ✓	5,588,092
Iowa Industrial New Jobs Training Program	2,124,379 ✓	2,073,371
Auxiliary	10,563,977 ✓	8,915,335
Sales and services	495,999 ✓	948,733
Contributions and pledges	2,476,000 ✓	-
Miscellaneous	384,438 ✓	325,936
Total operating revenue	35,041,933 ✓	29,183,149
Total operating expenses	46,226,893 ✓	42,043,674
Operating loss	(11,184,960) ✓	(12,860,525)
Nonoperating revenues (expenses):		
State appropriations	11,495,819 ✓	10,588,190
Property tax	3,540,724 ✓	3,557,131
Interest income on investments	834,413 ✓	851,268
Gain (loss) on sale of capital assets	98,931 ✓	(7,209)
Interest on indebtedness	(1,166,122) ✓	(1,058,820)
Net nonoperating revenues	14,803,765	13,930,560
Increase in net assets	3,618,805 ✓	1,070,035
Net assets beginning of year	22,334,321 ✓	21,264,286
Net assets end of year	\$ 25,953,126 ✓	\$ 22,334,321

The Statement of Revenues, Expenses and Changes in Net Assets reflects an increase in the net assets at the end of the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE AS A WHOLE (Continued)

Total Revenue by Source

In fiscal year 2008, operating revenues increased as a result of the following:

- Tuition and fees increased due to the increase in enrollment and the tuition rate increased from \$98 per credit hour in FY07 to \$102 per credit hour in FY08.
- Auxiliary enterprises revenue increased due to the enrollment increase and the resulting increase in bookstore sales, the increase in students in College housing, and the increase in premium dollars in the College self-funded employee health plan, and the increase in revenue due to the College operation of the Health & Fitness Center and the College management of Willow Ridge Golf Course.
- Plant fund revenue increased due to the sale of land and the transfer in of state funds for the construction of a fire tower for training.

Operating Expenses

	Year ended June 30	
	2008	2007
Education and support:		
Liberal arts and sciences	\$ 6,458,172	\$ 5,485,175
Vocational technical	5,046,862	4,679,189
Adult education	2,590,539	2,599,404
Cooperative services	3,089,238	2,978,382
Administration	1,273,515	1,472,059
Student services	4,029,297	3,579,498
Learning resources	270,819	300,293
Physical plant	3,208,075	3,670,110
General institution	6,471,924	5,913,217
Auxiliary enterprises	8,136,263	6,931,125
Scholarships and grants	1,933,207	1,093,590
Workforce Investment Act	80,691	107,114
Administrative and collection costs	2,216,651	1,866,496
Depreciation	1,421,640	1,368,022
Total	\$ 46,226,893	\$ 42,043,674

Total Expenses

In fiscal year 2008, operating expenses increased as a result of the following:

- Moderate salary and benefit increases and a five percent increase in full-time staff.
- Additional part-time salaries due to increased student enrollment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE AS A WHOLE (Continued)

Total Expenses (continued)

- Additional maintenance and increased utility costs due to expansion of facilities and continued costly maintenance and repair of aging facilities.
- Increase in housing expenses due to additional College housing.
- Increase in medical and dental payments in the College self-funded employee health plan.

Statement of Cash Flows

A statement included in Iowa Central Community College's basic financial statements is the Statement of Cash Flows. The Statement of Cash Flows is an important tool in helping users assess the College's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital financing and investing activities.

Cash Flows

	Year ended June 30	
	2008	2007
Cash provided (used) by:		
Operating activities	\$ (9,144,741) [✓]	\$ (12,315,684)
Non-capital financing activities	14,683,356 [✓]	12,303,441
Capital and related financing activities	8,650,899 [✓]	(2,475,930)
Investing activities	834,413 [✓]	851,268
Net increase (decrease) in cash	15,023,927 [✓]	(1,636,905)
Cash beginning of year	14,614,571 ⁻	16,251,476
Cash end of year	\$ 29,638,498 [✓]	\$ 14,614,571

Cash used by operating activities includes tuition, fees, grants and contracts, net of payments to employees and to suppliers. Cash provided by non-capital financing activities includes state appropriations and local property tax received by the College. Cash used by capital and related financing activities represents the principal payments of debt and the purchase of capital assets. Cash provided by investing activities includes investment income received.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

At June 30, 2008, the College had approximately \$34 million invested in capital assets, net of accumulated depreciation of approximately \$16 million. Depreciation charges totaled \$1,421,640 for FY08. Details of the capital assets are shown below.

Capital Assets, Net, at Year-End

	June 30,	
	2008	2007
Land	\$ 1,067,616	\$ 1,082,616
Buildings	25,322,023	23,831,771
Construction in progress	2,696,777	59,415
Improvements other than buildings	3,243,929	3,415,623
Equipment and vehicles	1,493,412	1,571,980
	<u>\$ 33,823,757</u>	<u>\$ 29,961,405</u>

Major capital expenditures for fiscal year ending June 30, 2008, included construction of Student Residence Apartment Building #13, a new access road to U.S. Highway 169 on the west side of the Fort Dodge Campus, new parking lots and the beginning construction of a Biotechnology and Health Sciences Center.

Planned capital expenditures for the fiscal year ending June 30, 2009, and beyond include construction of Student Residence Apartment Buildings #14 and #15. The College passed an \$18 million bond referendum in June 2007 for major capital expenditures noted above (except for the Student Apartment #13) and for the construction of a Learning Resource Center.

More detailed information about the College's capital assets is presented in Note 4 to the financial statements.

DEBT

At June 30, 2008, the College had approximately \$37 million in debt outstanding, an increase of \$14,750,000 from fiscal year 2007. The table below summarizes these amounts by type.

Outstanding Debt

	June 30,	
	2008	2007
Certificates payable	\$ 8,335,000	\$ 8,070,000
Capital loan notes payable	3,930,000	4,490,000
Bonds payable	24,690,000	9,645,000
	<u>\$ 36,955,000</u>	<u>\$ 22,205,000</u>

More detailed information about the College's outstanding debt is presented in Note 5 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS

Iowa Central Community College continued to improve its financial position during the current fiscal year. Maintaining the current good condition of the economy in the state is a concern for College officials. Some of the realities that may potentially become challenges for the College to meet are:

- State aid for the FY09 will increase 5 percent above the amount received in FY08. Inequitable distribution of state general aid among the community colleges is a major concern.
- Expenses will continue to increase. As the number of students increases, the costs associated with serving them continue to increase.
- The College will continue to expand distance-learning opportunities in FY08 and beyond and is involved with school districts in the operation of Alternative High Schools and Charter Schools. The number of contracted courses offered with high schools continues to increase. The College works in joint partnership with Barker Educational Services Team (BEST) to offer students a variety of programs via the 8-Week Online Program through the Distance Learning Office.
- The start-up of new programs is expensive. New programs to be started in FY09 include Chiropractic Assistant, Entrepreneurship in Health and Beauty, Fire Service Administration, Health Care Administration, and Medical Transcription and Coding.
- Aging facilities at the College require constant maintenance and upkeep. The increase in number of buildings creates increased utility costs, maintenance and upkeep expenses.
- Technology continues to expand and current technology becomes outdated presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost.
- General fund property tax revenue had decreased in 2004-2005 due to a 15 percent reduction in farmland valuation, increased less than 1/10th of a percent in 2005-2006, and increased 3.5 percent in 2006-2007 and increased 1 percent in 2007-2008. General fund property tax revenue in 2008-2009 will increase 7 percent. General fund property tax revenue for 2008-2009 will, however, be less than the property tax revenue received in 2001-2002.

The College anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the College's ability to react to unknown issues.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Central Community College, One Triton Circle, Fort Dodge, IA 50501.

IOWA CENTRAL COMMUNITY COLLEGE

BASIC FINANCIAL STATEMENTS

IOWA CENTRAL COMMUNITY COLLEGE

Exhibit A

STATEMENT OF NET ASSETS

June 30, 2008

ASSETS	Primary Government	Component Unit
Current assets:		
Cash and pooled investments	\$ 29,638,498 ✓	\$ 3,353,167
Receivables:		
Accounts	1,497,956	4,231
Capital Campaign	-	1,083,668
Property tax:		
Succeeding year	5,858,395	-
Iowa Industrial New Jobs Training Program	2,221,474	-
Due from Iowa Central Community College Foundation	20,587	-
Due from other governments	586,219	-
Inventories	689,410 ✓	-
Prepaid expenses	132,790	-
Total current assets	<u>40,645,329</u>	<u>4,441,066</u>
Noncurrent assets:		
Receivables:		
Iowa Industrial New Jobs Training Program	4,425,413	-
Capital assets, net of accumulated depreciation	33,823,757	-
Total noncurrent assets	<u>38,249,170</u>	<u>-</u>
Total assets	<u>78,894,499 ✓</u>	<u>4,441,066</u>

IOWA CENTRAL COMMUNITY COLLEGE

Exhibit A
(Continued)

STATEMENT OF NET ASSETS

June 30, 2008

LIABILITIES	Primary Government	Component Unit
Current liabilities:		
Accounts payable	\$ 674,933	\$ 1,100
Salaries and benefits payable	1,241,028	-
Due to Iowa Central Community College	-	20,587
Interest payable	195,937	-
Deferred revenue:		
Succeeding year property tax	5,858,395	-
Other	6,783,742	-
Compensated absences	354,630	-
Deposits held in custody for others	877,708	-
Certificates payable	1,335,000	-
Capital loan notes payable	585,000	-
Bonds payable	1,670,000	-
Total current liabilities	<u>19,576,373</u>	<u>21,687</u>
Noncurrent liabilities:		
Certificates payable	7,000,000	-
Capital loan notes payable	3,345,000	-
Bonds payable	23,020,000	-
Total noncurrent liabilities	<u>33,365,000</u>	<u>-</u>
Total liabilities	<u>52,941,373</u>	<u>21,687</u>
Net assets		
Invested in capital assets, net of related debt	17,265,902	-
Restricted:		
Nonexpendable:		
Scholarships and fellowships	-	2,299,335
Expendable:		
Capital campaign	-	1,083,668
Scholarships and fellowships	26,452	1,036,376
Loans	4,756	-
Cash reserve	319,603	-
Other	1,185,221	-
Unrestricted	7,151,192	-
Total net assets	<u>\$ 25,953,126</u>	<u>\$ 4,419,379</u>

See notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2008

	Primary Government	Component Unit
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$2,537,215	\$ 12,747,258	\$ -
Federal appropriations	6,249,882	-
Iowa Industrial New Jobs Training Program	2,124,379	-
Auxiliary enterprises revenue, net of scholarship allowances of \$725,789	10,563,977	-
Sales and services	495,999	-
Farm income	-	163,231
Miscellaneous	384,438	-
Contributions and pledges	2,476,000	499,419
Total operating revenues	35,041,933	662,650
Operating expenses:		
Education and support:		
Liberal arts and science	6,458,172	-
Vocational technical	5,046,862	-
Adult education	2,590,539	-
Cooperative services	3,089,238	-
Administration	1,273,515	-
Student services	4,029,297	-
Learning resources	270,819	-
Physical plant	3,208,075	-
General institution	6,471,924	-
Auxiliary enterprises	8,136,263	-
Scholarships and grants	1,933,207	157,569
Workforce Investment Act	80,691	-
Administrative and collection costs	2,216,651	-
Depreciation	1,421,640	-
Farm expenses	-	160,819
Donation to Iowa Central Community College	-	2,476,000
Management and general expenses	-	448
Total operating expenses	46,226,893	2,794,836
Operating income (loss)	(11,184,960)	(2,132,186)

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

**Exhibit B
(Continued)**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2008**

	Primary Government	Component Unit
Nonoperating revenues (expenses):		
State appropriations	\$ 11,495,819	\$ -
Property tax	3,540,724	-
Interest income from investments	834,413	218,587
Gain on sale of capital assets	98,931	-
Interest on indebtedness	(1,166,122)	-
Realized and unrealized loss on investments	-	(393,446)
Net nonoperating revenues	14,803,765	(174,859)
Change in net assets	3,618,805	(2,307,045)
Net assets beginning of year	22,334,321	6,726,424
Net assets end of year	<u>\$ 25,953,126</u>	<u>\$ 4,419,379</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2008

Cash Flows from Operating Activities:	
Tuition and fees	\$ 12,747,258
Federal appropriations	6,311,439
Iowa Industrial New Jobs Training Program	(445,524)
Payments to employees for salaries and benefits	(22,418,776)
Payments to suppliers for goods and services	(18,651,351)
Payments to NJTP recipients	(1,924,718)
Scholarships	(1,093,590)
Auxiliary enterprise receipts	10,563,977
Other receipts	5,766,544
Net cash used by operating activities	(9,144,741)
Cash Flows from Non-Capital Financing Activities:	
State appropriations	11,495,819
Property tax	3,540,724
Agency Fund receipts	2,335,945
Agency Fund disbursements	(2,437,050)
Interest paid on debt	(517,082)
Proceeds from issuance of debt	2,480,000
Principal paid on debt	(2,215,000)
Net cash provided by non-capital financing activities	14,683,356
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(5,662,588)
Proceeds from sale of capital assets	477,527
Interest paid on debt	(649,040)
Proceeds from issuance of debt	15,650,000
Principal paid on debt	(1,165,000)
Net cash used by capital and related financing activities	8,650,899
Cash Flows from Investing Activities:	
Interest on investments	834,413
Net cash provided by investing activities	834,413
Net increase in cash	15,023,927
Cash beginning of year	14,614,571
Cash end of year	\$ 29,638,498

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE**Exhibit C
(Continued)****STATEMENT OF CASH FLOWS****Year Ended June 30, 2008**

Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (11,184,960)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	1,421,640
Changes in assets and liabilities:	
Decrease in accounts receivable	44,039
Increase in NJTP receivable	(2,569,903)
Decrease in due from other governments	61,557
Decrease in inventories	(136,507)
Increase in prepaid expenses	52,924
Increase in accounts payable	199,661
Increase in salaries payable	430,693
Decrease in interest payable	121,459
Increase in deferred revenue	2,366,037
Increase in compensated absences	48,619
Total adjustments	2,040,219
Net cash used by operating activities	\$ (9,144,741)

See Notes to Financial Statements.

IOWA CENTRAL COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Iowa Central Community College is a publicly supported school established and operated by Merged Area V under the provisions of Chapter 260C of the Code of Iowa. The College offers programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. It also offers up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Iowa Central Community College maintains campuses in Fort Dodge, Webster City, and Storm Lake, Iowa, and has its administrative offices in Fort Dodge. Iowa Central Community College is governed by a Board of Directors whose members are elected from each director district within Merged Area V.

The College's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Iowa Central Community College has included all funds, organizations, agencies, boards, commissions and authorities. The College has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the College are such that exclusion would cause the Community College's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the College to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Community College.

These financial statements present Iowa Central Community College (the primary government) and its component unit. The component unit discussed below is included in the College's reporting entity because of the significance of its operational or financial relationships with the College. Certain disclosures about the component unit are not included because the component unit has been audited separately and a report has been issued under separate cover. The audited financial statements are available at the College.

Iowa Central Community College Foundation is a legally separate, tax-exempt foundation. The Foundation was established for the purpose of maintaining, developing and extending its facilities and services for the benefit of Iowa Central Community College. The Foundation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources that are held are used for the benefit of Iowa Central Community College.

B. Basis of Presentation

GASB Statement No. 35, establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following four net asset categories:

Invested in Capital Assets, Net of Related Debt: Capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (continued)

Restricted Net Assets:

Nonexpendable – Net assets subject to externally-imposed stipulations that they be maintained permanently by the College, including the College's permanent endowment funds.

Expendable – Net assets whose use by the College is subject to externally-imposed stipulations that can be fulfilled by actions of the College, pursuant to those stipulations or that expire by the passage of time.

Unrestricted Net Assets: Net assets that are not subject to externally-imposed situations. Resources may be designated for specific purposes by action of management or by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and general programs of the College.

GASB Statement No. 35 also requires the Statements of Net Assets, Revenues, Expenses and Changes in Net Assets, and Cash Flows be reported on a consolidated basis. These basic financial statements report information on all of the activities of the College. For the most part, the effect of interfund activity has been removed from these statements.

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash and Pooled Investments – Investments are stated at fair value. For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amount of cash and, at the day of purchase, they have a maturity date not longer than three months.

Due from Other Governments – This represents state aid, grants and reimbursements due from the State of Iowa and grants and reimbursements due from the Federal government.

Inventories – Inventories are valued at lower of cost (first-in, first-out method) or market. The cost is recorded as an expenditure at the time individual inventory items are consumed.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Property Tax Receivable – Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Directors to the appropriate County Auditors. Delinquent property tax receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Receivable for Iowa Industrial New Jobs Training Program (NJTP) – This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2008 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets – Capital assets, which include land, buildings and improvements, and equipment and vehicles, are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized. No interest costs were capitalized since there were no qualifying assets.

Capital assets are defined by the College as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years:

<u>Assets</u>	<u>Amount</u>
Land, buildings and improvements	\$ 5,000
Equipment and vehicles	5,000

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	25-50
Equipment and vehicles	5-10

The College does not capitalize or depreciate library books. The value of each book falls below the capital asset threshold and the balance was deemed immaterial to the financial statements.

Salaries and Benefits Payable – Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable, and other receivables not collected within sixty days after year end.

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2008.

Refundable Advances on Student Loans – The Perkins Federal Loan program requires a return of federal capital contribution if the United States Government terminates the program.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, food service, Health and Fitness Center, self-insurance program and athletics.

Summer Session – The College operates summer sessions during May, June, and July. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the load study distributions supplied by the College Registrar.

Tuition and Fees – Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship and fellowship expenses.

Operating and Nonoperating Activities – Operating activities, as reported in the Statement of Revenues, Expenses and Changes in Net Assets, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nonoperating activities include state appropriations, property tax and interest income.

D. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash and Pooled Investments

The College's deposits in banks at June 30, 2008 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The College is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest rate risk – The College's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the College.

Note 3. Inventories

The College's inventories at June 30, 2008 are as follows:

<u>Type</u>	<u>Amount</u>
Merchandise held for resale	<u>\$ 689,410</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2008 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 1,082,616	\$ 285,000	\$ 300,000	\$ 1,067,616
Construction in progress	59,415	2,637,362	-	2,696,777
Total capital assets not being depreciated	1,142,031	2,922,362	300,000	3,764,393
Capital assets being depreciated:				
Buildings	32,911,459	2,191,000	-	35,102,459
Improvements other than buildings	4,292,351	-	-	4,292,351
Equipment and vehicles	6,624,244	549,226	323,415	6,850,055
Total capital assets being depreciated	43,828,054	2,740,226	323,415	46,244,865
Less accumulated depreciation for:				
Buildings	9,079,688	700,748	-	9,780,436
Improvements other than buildings	876,728	171,694	-	1,048,422
Equipment and vehicles	5,052,264	549,198	244,819	5,356,643
Total accumulated depreciation	15,008,680	1,421,640	244,819	16,185,501
Total capital assets being depreciated, net	28,819,374	1,318,586	78,596	30,059,364
Capital assets, net	\$ 29,961,405	\$ 4,240,948	\$ 378,596	\$ 33,823,757

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2008 is as follows:

	Certificates Payable	Capital Loan Notes Payable	Bonds Payable	Total
Balance, beginning of year	\$ 8,070,000	\$ 4,490,000	\$ 9,645,000	\$ 22,205,000
Additions	2,480,000	-	15,650,000	18,130,000
Reductions	2,215,000	560,000	605,000	3,380,000
Balance, end of year	\$ 8,335,000	\$ 3,930,000	\$ 24,690,000	\$ 36,955,000

Certificates Payable:

In accordance with agreements dated between June 1, 1998 and December 1, 2007, the College issued certificates totaling \$14,045,000 with interest rates ranging from 2.55% to 8.25%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries that are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates will mature as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 1,335,000	\$ 451,615	\$ 1,786,615
2010	1,215,000	383,655	1,598,655
2011	1,190,000	319,025	1,509,025
2012	995,000	253,035	1,248,035
2013-2017	3,600,000	-	3,600,000
Total	\$ 8,335,000	\$ 1,407,330	\$ 9,742,330

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt (Continued)

Capital Loan Notes Payable:

The College has issued notes for the purchase and construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2008 capital loan notes payable indebtedness are as follows:

	Note Issuance of July 1, 2000			
	Interest			
Year Ending June 30,	Rate	Principal	Interest	Total
2009	5.75	\$ 105,000	\$ 44,718	\$ 149,718
2010-2013	5.85-6.05	365,000	95,444	460,444
2014	6.05	135,000	17,012	152,012
2015	6.10	145,000	8,846	153,846
Total		\$ 750,000	\$ 166,020	\$ 916,020

	Note Issuance of October 1, 2001			
	Interest			
Year Ending June 30,	Rate	Principal	Interest	Total
2009	4.00	\$ 120,000	\$ 36,388	\$ 156,388
2010-2012	4.20-4.50	405,000	77,973	482,973
2013	4.60	145,000	13,955	158,955
2014	4.70	155,000	7,286	162,286
Total		\$ 825,000	\$ 135,602	\$ 960,602

	Note Issuance of July 1, 2003			
	Interest			
Year Ending June 30,	Rate	Principal	Interest	Total
2009	2.90	\$ 240,000	\$ 52,690	\$ 292,690
2010-2012	3.10-3.50	765,000	113,187	878,187
2013	3.60	275,000	20,445	295,445
2014	3.70	285,000	10,546	295,546
Total		\$ 1,565,000	\$ 196,868	\$ 1,761,868

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt (Continued)

Capital Loan Notes Payable (continued):

Note Issuance of March 1, 2004				
Year Ending June 30,	Interest	Principal	Interest	Total
	Rate			
2009	2.75	\$ 120,000	\$ 26,248	\$ 146,248
2010-2012	3.00-3.45	385,000	57,282	442,282
2013	3.60	140,000	10,478	150,478
2014	3.75	145,000	5,438	150,438
Total		\$ 790,000	\$ 99,446	\$ 889,446

Bonds Payable:

The College has issued bonds for the construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2008 bonded indebtedness are as follows:

Bond Issuance of August 1, 2003				
Year Ending June 30,	Interest	Principal	Interest	Total
	Rate			
2009	2.80	\$ 455,000	\$ 192,736	\$ 647,736
2010-2017	3.10-4.30	4,210,000	949,794	5,159,794
2018	4.45	290,000	21,875	311,875
2019	4.60	195,000	8,970	203,970
Total		\$ 5,150,000	\$ 1,173,375	\$ 6,323,375

Bond Issuance of September 1, 2003				
Year Ending June 30,	Interest	Principal	Interest	Total
	Rate			
2009	3.60	\$ 45,000	\$ 45,202	\$ 90,202
2010-2017	3.80-5.00	685,000	161,628	846,628
2018	5.10	120,000	12,620	132,620
2019	5.20	125,000	6,500	131,500
Total		\$ 975,000	\$ 225,950	\$ 1,200,950

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt (Continued)

Bonds Payable (continued):

Bond Issuance of August 1, 2004				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2009	3.55	\$ 55,000	\$ 86,296	\$ 141,296
2010-2018	3.75-5.00	1,335,000	577,296	1,912,296
2019	5.10	220,000	23,440	243,440
2020	5.20	235,000	12,220	247,220
Total		\$ 1,845,000	\$ 699,252	\$ 2,544,252

Bond Issuance of August 1, 2005				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2009	3.70	\$ 70,000	\$ 45,760	\$ 115,760
2010-2018	3.80-4.50	775,000	273,623	1,048,623
2019	4.60	110,000	10,408	120,408
2020	4.65	115,000	5,348	120,348
Total		\$ 1,070,000	\$ 335,139	\$ 1,405,139

Bond Issuance of October 1, 2007				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2009	4.00	\$ 185,000	\$ 264,415	\$ 449,415
2010	4.00	195,000	257,015	452,015
2011	4.05	205,000	249,215	454,215
2012	4.10	215,000	240,913	455,913
2013	4.15	225,000	232,098	457,098
2014-2027	4.25-5.15	4,625,000	1,903,324	6,528,324
Total		\$ 5,650,000	\$ 3,146,980	\$ 8,796,980

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt (Continued)

Bonds Payable (continued):

Bond Issuance of March 1, 2008				
Year Ending June 30,	Interest	Principal	Interest	Total
	Rate			
2009	3.25	\$ 860,000	\$ 458,640	\$ 1,318,640
2010	3.50	350,000	338,963	688,963
2011	3.50	365,000	326,713	691,713
2012	3.50	380,000	313,938	693,938
2013	3.50	395,000	300,638	695,638
2014-2027	3.50-4.00	7,650,000	2,416,874	10,066,874
Total		\$ 10,000,000	\$ 4,155,766	\$ 14,155,766

Note 6. Operating Leases

The College has leased various facilities and equipment. These leases have been classified as operating leases and accordingly, all rents are charged as incurred. The leases expire between 2008 and 2013 and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases. The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2008:

Year Ending June 30	Amount
2009	\$ 178,787
2010	441,680
2011	121,231
2012	543,672
2013	63,075
Thereafter	-
Total	\$ 1,348,445

Rents for the year ended June 30, 2008 for all operating leases, except those with terms of a month or less which were not renewed, totaled \$213,680.

NOTES TO FINANCIAL STATEMENTS

Note 7. Iowa Public Employees Retirement System (IPERS)

The College contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.90% of their annual covered salary and the College is required to contribute 6.05% of annual payroll. Contribution requirements are established by state statute. The College's contributions to IPERS for the years ended June 30, 2008, 2007, and 2006 were \$557,445, \$484,034, and \$444,814, respectively, equal to the required contributions for each year.

Note 8. Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF)

The College contributes to the TIAA-CREF retirement program that is a defined contribution plan. TIAA administers the retirement plan for the College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 3.90% and the College is required to contribute 6.05%. The College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2008 were \$350,322 and \$225,828, respectively.

Note 9. New Jobs Training Programs

The College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area V in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries that are new to or are expanding their operations within the State of Iowa. Certificates are sold by the College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property taxes. Since inception, the College administered ninety-nine projects with eighteen currently receiving project funding. Nineteen of the remaining projects have been completed and only repayment of the certificates is left. The remaining sixty-two projects have been completed and the certificates have been paid. In cases where projects exceed the budgeted amounts, the college intends to obtain additional withholding revenue from the companies.

NOTES TO FINANCIAL STATEMENTS

Note 10. Early Retirement and Contingent Liability

Full-time staff that are at least the age of 55 and who have at least 9 years of continuous service with the College are eligible for the early retirement incentive program. Early retirement begins at the end of the employee's contract. A staff member who accepts early retirement may receive cash benefits on September 15 and March 15 of the following fiscal year.

The liability at June 30, 2008 for those employees who have elected early retirement was \$372,553. Early retirement is funded on a pay-as-you-go basis through property tax levies. The College's early retirement expense for the year ended June 30, 2008 was \$1,046,714.

At June 30, 2008, the potential liability for all eligible employees who have accepted early retirement is approximately \$1,409,389.

Note 11. Risk Management

Iowa Central Community College carries commercial insurance purchased from insurers for coverage associated with torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12. Deficit Fund Balance

The College has a deficit balance in the funds as listed below as of June 30, 2008. Management believes that future transfers from unrestricted current funds will eliminate these deficit balances.

Unrestricted Fund:	
Career Education	\$ (105,527)
Restricted Fund:	
Early Retirement	(590,766)

Note 13. Self-Insurance Program

Effective July 1, 2000, the College has a self-insurance program for hospitalization and medical coverage for its employees. The College limits its losses through the use of stop-loss policies from insurers. Specific individual losses for claims are limited to \$90,000 per year. The College's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees and was limited to \$2,711,167 as of June 30, 2008. For June 30, 2008, the College paid \$2,897,789 under the program.

NOTES TO FINANCIAL STATEMENTS

Note 14. Subsequent Event

On August 28, 2008, the College entered into a severance agreement with the former president of the College. The agreement requires the College to pay \$200,000 on January 15, 2009 and \$200,000 on January 15, 2010. In addition, the College agreed to pay the former president's health insurance until he is 65 years old.

Note 15. Related Party Transaction

During the year-ended June 30, 2008, the College received real estate donated by the Iowa Central Community College Foundation. Accordingly, the real estate was recorded by the College at estimated fair market value at the date of donation, which was \$2,476,000.

REQUIRED SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

**BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL**

Required Supplementary Information

Year Ended June 30, 2008

Funds/Levy	Original Budget	Amended Budget	Actual	Variance Between Actual and Amended Budget
Unrestricted	\$ 26,092,000	\$ 29,400,000	\$ 27,174,346	\$ 2,225,654
Restricted	6,410,000	8,609,000	5,122,327	3,486,673
Unemployment	35,000	35,000	33,379	1,621
Tort liability	340,000	340,000	330,746	9,254
Insurance	300,000	300,000	232,863	67,137
Early retirement	400,000	950,000	962,718	(12,718)
Equipment replacement	500,000	500,000	203,615	296,385
Total restricted	7,985,000	10,734,000	6,885,648	3,848,352
Plant	3,090,000	9,044,000	4,407,580	4,636,420
Total	\$ 37,167,000	\$ 49,178,000	\$ 38,467,574	\$ 10,710,426

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING **June 30, 2008**

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the College on a basis consistent with U. S. generally accepted accounting principles. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

Budgets are not required to be adopted for the Auxiliary Enterprises subgroup, Workforce Improvement Act Accounts, Scholarships and Grants Accounts, Loan Funds, Endowment Funds and Agency Funds.

SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2008

Assets	Current Funds		Loan Funds
	Unrestricted	Restricted	
Cash and pooled investments	\$ 6,765,052	\$ 10,383,878	\$ 4,510
Receivables:			
Accounts	1,497,956	-	-
Property tax:			
Succeeding year	1,136,975	2,265,809	-
Iowa Industrial New Jobs Training Program	-	6,646,887	-
Due from other funds	5,329,412	-	246
Due from Iowa Central Community College Foundation	20,587	-	-
Due from other governments	381,556	190,099	-
Inventories	689,410	-	-
Prepaid expenses	132,790	-	-
Capital assets:			
Land	-	-	-
Buildings	-	-	-
Construction in progress	-	-	-
Improvements other than buildings	-	-	-
Equipment and vehicles	-	-	-
Accumulated depreciation	-	-	-
Total assets	\$ 15,953,738	\$ 19,486,673	\$ 4,756

See accompanying Independent Auditor's Report.

Schedule 1

Plant Funds		Agency Funds	Adjustments	Total
Unexpended	Investment in Plant			
\$ 12,403,264	\$ -	\$ 81,794	\$ -	\$ 29,638,498
-	-	-	-	1,497,956
2,455,611	-	-	-	5,858,395
-	-	-	-	6,646,887
-	-	781,350	(6,111,008)	-
-	-	-	-	20,587
-	-	14,564	-	586,219
-	-	-	-	689,410
-	-	-	-	132,790
-	1,067,616	-	-	1,067,616
-	35,102,459	-	-	35,102,459
-	2,696,777	-	-	2,696,777
-	4,292,351	-	-	4,292,351
-	6,850,055	-	-	6,850,055
-	-	-	(16,185,501)	(16,185,501)

\$ 14,858,875 \$ 50,009,258 \$ 877,708 \$ (22,296,509) \$ 78,894,499 ✓

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2008

Liabilities and Fund Balances	Current Funds		Loan Funds
	Unrestricted	Restricted	
Liabilities:			
Accounts payable	\$ 674,933	\$ -	\$ -
Salaries and benefits payable	868,475	372,553	-
Interest payable	159,016	36,921	-
Due to other funds	5,608,517	161,372	-
Deferred revenue:			
Succeeding year property tax	1,136,975	2,265,809	-
Other	-	6,783,742	-
Compensated absences	354,630	-	-
Deposits held in custody for others	-	-	-
Certificates payable	-	8,335,000	-
Capital loan notes payable	-	-	-
Bonds payable	-	-	-
Total liabilities	8,802,546	17,955,397	-
Fund balances:			
Invested in capital assets, net of related debt	-	-	-
Restricted:			
Expendable:			
Scholarships and fellowships	-	26,452	-
Loans	-	-	4,756
Cash reserve	-	319,603	-
Other	-	1,185,221	-
Unrestricted	1,779,135	-	-
Auxiliary enterprises	5,372,057	-	-
Total fund balances	7,151,192	1,531,276	4,756
Total liabilities and fund balances	\$ 15,953,738	\$ 19,486,673	\$ 4,756

See accompanying Independent Auditor's Report.

Schedule 1
(Continued)

Plant Funds		Agency Funds	Adjustments	Total
Unexpended	Investment in Plant			
\$ -	\$ -	\$ -	\$ -	\$ 674,933
-	-	-	-	1,241,028
-	-	-	-	195,937
341,119	-	-	(6,111,008)	-
2,455,611	-	-	-	5,858,395
-	-	-	-	6,783,742
-	-	-	-	354,630
-	-	877,708	-	877,708
-	-	-	-	8,335,000
-	3,930,000	-	-	3,930,000
-	24,690,000	-	-	24,690,000
2,796,730	28,620,000	877,708	(6,111,008)	52,941,373 ✦
12,062,145	21,389,258	-	(16,185,501)	17,265,902
-	-	-	-	26,452
-	-	-	-	4,756
-	-	-	-	319,603
-	-	-	-	1,185,221 ✧
-	-	-	-	1,779,135
-	-	-	-	5,372,057
12,062,145	21,389,258	-	(16,185,501) ✧	25,953,126 ✧
\$ 14,858,875 ✧	\$ 50,009,258 ✧	\$ 877,708 ✧	\$ (22,296,509) ✧	\$ 78,894,499 ✧

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL FUNDS**

Year Ended June 30, 2008

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Revenues:			
General:			
State appropriations	\$ 9,486,285	\$ 1,678,986	\$ -
Tuition and fees	15,284,473	-	-
Property tax	1,060,207	1,420,310	-
Federal appropriations	608,403	5,640,958	521
Sales and services	686,745	643,855	-
Interest on investments	343,323	323,723	-
Iowa Industrial New Jobs Training Program	-	2,124,379	-
Increase in plant investment due to plant expenditures	-	-	-
Miscellaneous	185,228	112	-
	<u>27,654,664</u>	<u>11,832,323</u>	<u>521</u>
 Auxiliary enterprises:			
Tuition and fees	91,904	-	-
Sales and services	10,519,622	-	-
	<u>10,611,526</u>	<u>-</u>	<u>-</u>
 Total revenues	<u><u>\$ 38,266,190</u></u>	<u><u>\$ 11,832,323</u></u>	<u><u>\$ 521</u></u>
 Expenditures:			
Education and support:			
Liberal arts and science	\$ 6,458,272	\$ -	\$ -
Vocational technical	4,993,123	580,462	-
Adult education	2,276,633	315,702	-
Cooperative services	1,483,534	2,124,379	-
Administration	1,137,033	136,595	-
Student services	4,030,144	-	-
Learning resources	270,819	-	-
Physical plant	3,192,319	232,863	-
General institution	3,332,469	3,495,647	-
Total education and support	<u>27,174,346</u>	<u>6,885,648</u>	<u>-</u>

See accompanying Independent Auditor's Report.

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ 330,548	\$ -	\$ -	\$ 11,495,819
-	-	(2,537,215)	12,747,258
1,060,207	-	-	3,540,724
-	-	-	6,249,882
-	-	(834,601)	495,999
167,367	-	-	834,413
-	-	-	2,124,379
-	3,186,588	(3,186,588)	-
676,625	2,476,000	(477,527)	2,860,438
2,234,747	5,662,588	(7,035,931)	40,348,912
-	-	-	91,904
-	-	(47,549)	10,472,073
-	-	(47,549)	10,563,977
\$ 2,234,747	\$ 5,662,588	\$ (7,083,480)	\$ 50,912,889

\$ -	\$ -	\$ (100)	\$ 6,458,172
-	-	(526,723)	5,046,862
-	-	(1,796)	2,590,539
-	-	(518,675)	3,089,238
-	-	(113)	1,273,515
-	-	(847)	4,029,297
-	-	-	270,819
-	-	(217,107)	3,208,075
-	-	(356,192)	6,471,924
-	-	(1,621,553)	32,438,441

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL FUNDS
Year Ended June 30, 2008**

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Expenditures (Continued):			
Auxiliary enterprises	\$ 8,832,852	\$ -	\$ -
Scholarships and grants	-	5,196,211	-
Workforce Investment Act	-	80,691	-
Administrative and			
collection costs	-	-	-
Plant asset acquisitions	-	-	-
Disposal of plant assets	-	-	-
Depreciation	-	-	-
(Gain) on sale of capital assets	-	-	-
Interest on indebtedness	-	-	-
Total expenditures	36,007,198	12,162,550	-
Excess (deficiency) of revenues over (under) expenditures	2,258,992	(330,227)	521
Transfers:			
Mandatory transfers	-	-	-
Non-mandatory transfers	(735,513)	(132,368)	-
Total transfers	(735,513)	(132,368)	-
Net	1,523,479	(462,595)	521
Fund balances beginning of year	5,627,713	1,993,871	4,235
Fund balances end of year	\$ 7,151,192	\$ 1,531,276	\$ 4,756

See accompanying Independent Auditor's Report.

**Schedule 2
(Continued)**

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ -	\$ -	\$ (696,589)	\$ 8,136,263
-	-	(3,263,004)	1,933,207
-	-	-	80,691
2,216,651	-	-	2,216,651
2,190,929	-	(2,190,929)	-
-	623,415	(623,415)	-
-	-	1,421,640	1,421,640
-	-	(98,931)	(98,931)
-	-	1,166,122	1,166,122
4,407,580	623,415	(5,906,659)	47,294,084
(2,172,833)	5,039,173	(1,176,821)	3,618,805
-	-	-	-
15,352,881	(14,485,000)	-	-
15,352,881	(14,485,000)	-	-
13,180,048	(9,445,827)	(1,176,821)	3,618,805
(1,117,903)	30,835,085	(15,008,680)	22,334,321
\$ 12,062,145	\$ 21,389,258	\$ (16,185,501)	\$ 25,953,126

IOWA CENTRAL COMMUNITY COLLEGE

**UNRESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION AND SUPPORT
Year Ended June 30, 2008**

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Revenues:				
State appropriations	\$ 5,825,181	\$ 2,325,036	\$ 1,336,068	\$ -
Tuition and fees	8,228,626	3,919,324	1,680,219	1,176,420
Property tax	-	-	-	-
Federal appropriations	-	243,546	275,891	65,058
Sales and services	2,100	11,015	159,368	4,095
Interest on investments	-	-	-	-
Miscellaneous	-	79,230	69,143	-
	14,055,907	6,578,151	3,520,689	1,245,573
Allocation of support services	1,082,086	665,030	495,956	11,272
Total revenues	15,137,993	7,243,181	4,016,645	1,256,845
Expenditures:				
Salaries and benefits	5,360,627	4,231,940	1,673,168	881,445
Services	1,041,701	257,585	486,244	353,542
Materials and supplies	46,643	419,707	94,201	40,635
Travel	7,167	26,273	23,020	8,931
Plant asset acquisitions	-	49,118	-	-
Loan cancellation and bad debts	-	-	-	26,334
Private scholarships	-	-	-	166,363
Miscellaneous	2,134	8,500	-	6,284
	6,458,272	4,993,123	2,276,633	1,483,534
Allocation of support services	5,742,136	3,529,021	2,631,812	59,814
Total expenditures	12,200,408	8,522,144	4,908,445	1,543,348

Schedule 3

Support					Education and Support Total
General Administration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,486,285
-	60,619	-	-	219,265	15,284,473
1,060,207	-	-	-	-	1,060,207
-	23,908	-	-	-	608,403
52	1,294	288	167,256	341,277	686,745
343,323	-	-	-	-	343,323
36,375	-	180	300	-	185,228
1,439,957	85,821	468	167,556	560,542	27,654,664
(1,439,957)	(85,821)	(468)	(167,556)	(560,542)	-
-	-	-	-	-	27,654,664
735,585	2,754,412	184,105	1,220,129	1,707,888	18,749,299
279,070	280,441	17,727	878,436	978,466	4,573,212
8,799	72,163	65,378	875,815	408,243	2,031,584
31,781	39,578	3,609	832	77,398	218,589
-	-	-	217,107	-	266,225
49,410	-	-	-	-	75,744
-	-	-	-	-	166,363
32,388	883,550	-	-	160,474	1,093,330
1,137,033	4,030,144	270,819	3,192,319	3,332,469	27,174,346
(1,137,033)	(4,030,144)	(270,819)	(3,192,319)	(3,332,469)	-
-	-	-	-	-	27,174,346

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

**UNRESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION AND SUPPORT
Year Ended June 30, 2008**

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Excess (deficiency) of revenues over (under) expenditures	\$ 2,937,585	\$ (1,278,963)	\$ (891,801)	\$ (286,503)
Transfers:				
Mandatory transfers	-	-	-	-
Non-mandatory transfers	-	1,976	142	-
Total transfers	-	1,976	142	-
Net	\$ 2,937,585	\$ (1,276,987)	\$ (891,659)	\$ (286,503)

Fund balance beginning of year

Fund balance end of year

See accompanying Independent Auditor's Report.

**Schedule 3
(Continued)**

Support					Education and Support Total
General Adminis- tration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 480,318
-	-	-	-	-	-
-	(9,961)	-	-	(259,635)	(267,478)
-	(9,961)	-	-	(259,635)	(267,478)
\$ -	\$ (9,961)	\$ -	\$ -	\$ (259,635)	212,840
					1,566,295
					<u>\$ 1,779,135</u>

IOWA CENTRAL COMMUNITY COLLEGE

**UNRESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
AUXILIARY ENTERPRISES
Year Ended June 30, 2008**

	Bookstore	Career Education	Self- Insurance Program	Dormitories
Revenues:				
Tuition and fees	\$ -	\$ -	\$ -	\$ 77,600
Sales and services	2,531,148	368,519	3,285,210	3,513,907
Total revenues	<u>2,531,148</u>	<u>368,519</u>	<u>3,285,210</u>	<u>3,591,507</u>
Expenditures:				
Salaries and benefits	157,776	4,164	-	170,715
Services	61,665	22,739	3,134,508	1,408,251
Materials and supplies	11,266	63,965	-	248,511
Travel	-	1,150	-	34
Plant asset acquisitions	-	-	-	20,738
Interest on indebtedness	-	-	-	649,040
Cost of goods sold	1,929,868	25,537	-	-
Miscellaneous	150	60,971	-	-
Total expenditures	<u>2,160,725</u>	<u>178,526</u>	<u>3,134,508</u>	<u>2,497,289</u>
Excess of revenues over expenditures	370,423	189,993	150,702	1,094,218
Transfers:				
Non-mandatory transfers	-	49	-	(468,084)
Net	370,423	190,042	150,702	626,134
Fund balances beginning of year	437,792	(295,569)	2,654,435	1,277,517
Fund balances end of year	<u>\$ 808,215</u>	<u>\$ (105,527)</u>	<u>\$ 2,805,137</u>	<u>\$ 1,903,651</u>

See accompanying Independent Auditor's Report.

Schedule 4

Miscellaneous		Total	
\$	14,304	\$	91,904
	820,838		10,519,622
	835,142		10,611,526
	469,096		801,751
	114,928		4,742,091
	267,626		591,368
	-		1,184
	10,154		30,892
	-		649,040
	-		1,955,405
	-		61,121
	861,804		8,832,852
	(26,662)		1,778,674
	-		(468,035)
	(26,662)		1,310,639
	(12,757)		4,061,418
\$	(39,419)	\$	5,372,057

IOWA CENTRAL COMMUNITY COLLEGE

**RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2008**

	Scholarships and Grants	Equipment Replacement	Insurance
Revenues:			
State appropriations	\$ 385,758	\$ -	\$ -
Property tax	-	471,513	276,622
Federal appropriations	4,653,467	-	-
Sales and services	-	-	-
Interest on investments	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-
Miscellaneous	112	-	-
Total revenues	5,039,337	471,513	276,622
Expenditures:			
Salaries and benefits	-	-	-
Services	-	-	232,863
Materials and supplies	-	85,848	-
Travel	-	-	-
Interest on indebtedness	-	-	-
Federal Pell Grant program	4,308,697	-	-
Federal Supplemental Educational Opportunity Grant	131,800	-	-
Iowa College Student Aid Commission	361,770	-	-
Academic Competitiveness Grant	212,970	-	-
Remittance to State Treasury	-	-	-
Miscellaneous	180,974	117,767	-
Total expenditures	5,196,211	203,615	232,863

Early Retirement	Unemployment Compensation	Cash Reserve	Tort Liability	Workforce Investment Act	Iowa Industrial New Jobs Training Program
\$ -	\$ -	\$ -	\$ -	\$ 971	\$ -
300,253	25,154	-	346,768	-	-
-	-	-	-	73,720	-
-	-	-	-	6,000	-
-	-	-	-	-	-
-	-	-	-	-	2,124,379
-	-	-	-	-	-
300,253	25,154	-	346,768	80,691	2,124,379
962,718	33,379	-	330,746	-	-
-	-	-	-	46,443	1,607,297
-	-	-	-	17,922	-
-	-	-	-	3,167	-
-	-	-	-	-	517,082
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	13,159	-
962,718	33,379	-	330,746	80,691	2,124,379

(Continued on next page)

Schedule 5

Miscellaneous		Total	
\$	1,292,257	\$	1,678,986
	-		1,420,310
	913,771		5,640,958
	637,855		643,855
	323,723		323,723
	-		2,124,379
	-		112
	3,167,606		11,832,323
<hr/>			
	2,012,737		3,339,580
	425,158		2,311,761
	242,325		346,095
	59,881		63,048
	-		517,082
	-		4,308,697
	-		131,800
	-		361,770
	-		212,970
	-		-
	257,847		569,747
	2,997,948		12,162,550
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IOWA CENTRAL COMMUNITY COLLEGE

**RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2008**

	Scholarships and Grants	Equipment Replacement	Insurance
Excess (deficiency) of revenues	\$ (156,874)	\$ 267,898	\$ 43,759
Transfers:			
Non-mandatory transfers	180,974	-	-
Net	24,100	267,898	43,759
Fund balance beginning of year	2,352	128,676	381,278
Fund balance end of year	\$ 26,452	\$ 396,574	\$ 425,037

See accompanying Independent Auditor's Report.

Early Retirement	Unemployment Compensation	Cash Reserve	Tort Liability	Workforce Investment Act	Iowa Industrial New Jobs Training Program
\$ (662,465)	\$ (8,225)	\$ -	\$ 16,022	\$ -	\$ -
-	-	-	-	-	-
(662,465)	(8,225)	-	16,022	-	-
71,699	17,444	319,603	335,340	-	270,468
\$ (590,766)	\$ 9,219	\$ 319,603	\$ 351,362	\$ -	\$ 270,468

Schedule 5
(Continued)

Miscellaneous	Total
\$ 169,658	\$ (330,227)
(313,342)	(132,368)
(143,684)	(462,595)
467,011	1,993,871
<u>\$ 323,327</u>	<u>\$ 1,531,276</u>

AGENCY FUNDS
SCHEDULE OF CHANGES IN DEPOSITS
HELD IN CUSTODY FOR OTHERS
Year Ended June 30, 2008

	Athletics and Student Organizations	Retraining Program	Miscellaneous	Total
Balances beginning of year	\$ 218,662	\$ 117,059	\$ 643,092	\$ 978,813
Additions:				
State appropriations	-	168,803	10,021	178,824
Tuition and fees	42,991	-	458,285	501,276
Sales and services	76,595	2,000	172,998	251,593
Interest on investments	-	16,984	15,764	32,748
Miscellaneous	1,262,999	-	108,505	1,371,504
Total additions	1,382,585	187,787	765,573	2,335,945
Deductions:				
Services	193,252	359,926	123,341	676,519
Materials and supplies	455,364	-	171,030	626,394
Travel	226,609	-	66,057	292,666
Scholarships	436,903	-	48,595	485,498
Miscellaneous	16,138	305	339,530	355,973
Total deductions	1,328,266	360,231	748,553	2,437,050
Balances end of year	\$ 272,981	\$ (55,385)	\$ 660,112	\$ 877,708

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF CREDIT AND CONTACT HOURS

Year Ended June 30, 2008

Category	Credit Hours		Total
	Eligible for Aid	Not Eligible for Aid	
Arts and Sciences	82,632	-	82,632
Vocational Education	34,753	-	34,753
Adult Education/Continuing Education	-	-	-
Cooperative Programs/Services	-	-	-
Related Services and Activities	-	-	-
	117,385	-	117,385

See accompanying Independent Auditor's Report.

Contact Hours		
Eligible for Aid	Not Eligible for Aid	Total
1,622,780	-	1,622,780
1,001,329	-	1,001,329
526,377	212,242	738,619
-	16,059	16,059
-	-	-
3,150,486	228,301	3,378,787

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES
For the Last Five Years

	Years Ended June 30,		
	2008	2007	2006
Local (property tax)	\$ 3,540,724	\$ 3,557,131	\$ 4,326,970
State	11,495,819	10,588,190	10,232,644
Federal	6,249,882	5,588,092	6,545,688
Total	\$ 21,286,425	\$ 19,733,413	\$ 21,105,302

See accompanying Independent Auditor's Report.

Schedule 8

2005		2004	
\$	3,716,759	\$	3,667,753
	8,436,420		8,146,823
	6,420,694		6,253,707
\$	18,573,873	\$	18,068,283

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF CURRENT FUND REVENUES BY SOURCE
AND EXPENDITURES BY FUNCTION
For the Last Five Years**

	Years Ended June 30,		
	2008	2007	2006
Revenues:			
State appropriations	\$ 11,165,271	\$ 10,369,493	\$ 9,391,912
Tuition and fees	15,284,473	13,713,940	12,008,732
Property tax	2,480,517	2,507,291	3,313,307
Federal appropriations	6,249,361	5,588,092	6,143,591
Sales and services	1,330,600	1,680,551	1,453,867
Interest on investments	667,046	850,523	782,516
Iowa Industrial New Jobs Training Program	2,124,379	2,073,371	2,125,884
Auxiliary enterprises	10,611,526	8,958,337	7,658,956
Miscellaneous	185,340	170,645	200,508
Total	\$ 50,098,513	\$ 45,912,243	\$ 43,079,273
Expenditures:			
Liberal arts and sciences	\$ 6,458,272	\$ 5,485,941	\$ 4,634,294
Vocational technical	5,573,585	5,130,353	4,880,693
Adult education	2,592,335	2,600,410	2,395,313
Cooperative services	3,607,913	3,548,282	3,303,993
Administration	1,273,628	1,472,722	1,076,106
Student services	4,030,144	3,581,358	3,583,769
Learning resources	270,819	300,293	332,257
Physical plant	3,425,182	3,670,110	3,127,923
General institution	6,828,116	6,195,145	6,322,947
Auxiliary enterprises	8,832,852	7,464,479	6,079,921
Scholarships and grants	5,196,211	4,153,217	3,850,833
Workforce Investment Act	80,691	107,114	267,185
Total	\$ 48,169,748	\$ 43,709,424	\$ 39,855,234

See accompanying Independent Auditor's Report.

Schedule 9

2005	2004
\$ 8,436,420	\$ 8,146,823
11,194,233	10,094,979
2,713,047	2,478,962
5,687,324	6,253,707
1,034,224	1,120,455
403,503	203,617
2,446,804	2,178,176
7,006,616	6,591,754
208,799	123,583
<u>\$ 39,130,970</u>	<u>\$ 37,192,056</u>

\$ 4,302,081	\$ 4,239,682
4,479,277	4,534,697
2,291,070	2,263,284
3,430,094	2,994,983
1,268,979	1,328,303
3,110,119	2,927,490
327,582	313,242
2,744,741	2,355,202
5,295,762	5,099,828
5,539,102	5,905,512
4,174,065	4,347,639
420,187	545,466
<u>\$ 37,383,059</u>	<u>\$ 36,855,328</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Direct:			
U.S. Department of Education:			
Student Financial Aid - cluster:			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	\$ 103,770	\$ -
Federal Family Education Loans	84.032	-	10,806,558
Federal Work-Study Program (FWS)	84.033	127,736	-
Federal Pell Grant Program	84.063	4,308,697	-
Federal Academic Competitiveness Grant	84.375	212,970	-
		<u>4,753,173</u>	<u>10,806,558</u>
TRIO Student Support Services	84.042A	<u>231,752</u>	<u>-</u>
Title III	84.031A	<u>312,909</u>	<u>-</u>
U.S. Department of Justice:			
Regional Law Enforcement Training Program	16.753	<u>23,455</u>	<u>-</u>
U.S. Department of Labor:			
Advanced Manufacturing Center	17.261	<u>866</u>	<u>-</u>
Total direct		<u>5,322,155</u>	<u>10,806,558</u>

(Continued on next page)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect:			
U.S. Department of Labor:			
Indirect through Iowa Workforce Development:			
WIA-Adult Program	17.258	\$ 2,297	\$ -
SWA Incentive	17.258	1,331	-
Trade Adjustments Account	17.245	971	-
WIA-Youth Activities	17.259	3,916	-
WIA-Dislocated Workers	17.260	1,576	-
New Iowans Center	17.261	1,877	-
Disability Navigator	17.266	1,583	-
Disabled Veterans' Outreach Program (DVOP)	17.801	1,222	-
Indirect through Iowa Department of Education:			
Mine Health and Safety Grants	17.600	3,454	-
Family Literacy Grant	16.267	43,461	-
U.S. Department of Education:			
Indirect through the Iowa Department of Education:			
Adult Education - State Grant Program	84.002	236,428	-
Tech-Prep Education	84.048A	88,349	-
Vocational Education - Basic Grant to States:			
Title II-B Program Improvement	84.048A	314,105	-

(Continued on next page)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect (Continued):			
U.S. Department of Education:			
Indirect through the Iowa Department of Corrections:			
Title I - Corrections	84.013A	\$ 41,000	\$ -
Indirect through Iowa Workforce Development:			
Job Opportunities and Basic Skills Training:	93.558	14,215	-
U.S. Department of Homeland Security:			
Indirect through the Eastern Kentucky University			
Rural Domestic Preparedness Consortium	97.068	116,793	-
U.S. Department of Agriculture:			
Indirect through the USDA Rural Development:			
Rural Business Enterprise Grant	10.769	55,149	-
Total indirect		927,727	-
Total		\$ 6,249,882	\$ 10,806,558

See accompanying Independent Auditor's Report.

Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Iowa Central Community College and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

IOWA CENTRAL COMMUNITY COLLEGE



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and the discretely presented component unit as of and for the year ended June 30, 2008, which collectively comprise the College's basic financial statements listed in the table of contents, and have issued our report thereon dated December 22, 2008. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Iowa Central Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Iowa Central Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Iowa Central Community College's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Iowa Central Community College's financial statements that is more than inconsequential will not be prevented or detected by Iowa Central Community College's internal control. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Iowa Central Community College's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We don't consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Central Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Iowa Central Community College's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the College's responses, we did not audit Iowa Central Community College's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Iowa Central Community College and other parties to whom Iowa Central Community College may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Central Community College during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

A handwritten signature in blue ink that reads "Schmu Company L.L.P." The signature is stylized and cursive.

Fort Dodge, Iowa
December 22, 2008



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

Compliance

We have audited the compliance of Iowa Central Community College, Fort Dodge, Iowa, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. Iowa Central Community College's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Iowa Central Community College's management. Our responsibility is to express an opinion on Iowa Central Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iowa Central Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Iowa Central Community College's compliance with those requirements.

In our opinion, Iowa Central Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Iowa Central Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Iowa Central Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the College's internal control that might be significant deficiencies or material weaknesses as defined below. We identified no deficiencies in internal control over compliance that we consider to be material weaknesses.

A control deficiency in the College's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies that adversely affects the College's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the College's internal control.

Iowa Central Community College's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the College's responses, we did not audit Iowa Central Community College's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Iowa Central Community College and other parties to whom Iowa Central Community College may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Schmu & Company L.L.P." The signature is stylized with large, flowing loops.

Fort Dodge, Iowa
December 22, 2008

**IOWA CENTRAL COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008**

Part I: Summary of the Independent Auditor's Results

- (A) An unqualified opinion was issued on the financial statements.
- (B) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (C) The audit did not disclose any noncompliance which is material to the financial statements.
- (D) No significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.
- (E) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (F) The audit disclosed no audit findings that were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (G) Major programs were as follows:
 - Student Financial Aid - Cluster:
 - CFDA Number 84.007 - Federal Supplemental Educational Opportunity Grants
 - CFDA Number 84.033 - Federal Work-Study Program
 - CFDA Number 84.063 - Federal Pell Grant Program
 - CFDA Number 84.032 - Federal Family Education Loans
 - CFDA Number 84.375- Federal Academic Competitiveness Grant
- (H) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (I) Iowa Central Community College qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

II-A-08 Satellite Campus Receipt Controls - An important aspect of internal control is the segregation of duties among employees so that the activities of one employee act as a check on those of another. No employee should be responsible for an entire transaction cycle.

The Community College's satellite campuses collect receipts for tuition and fees, book sales and miscellaneous revenues. Due to the limited number of staff at each center, receipts may be collected, recorded and deposited by the same individual.

While it is recognized that many methods of achieving good internal control are not adaptable to a small staff, some degree of effective control may always be obtained by appropriate organization or strengthening supervisory control procedures.

Recommendation - The Community College should review procedures in an effort to improve supervisory control over satellite campus receipts.

Response - Every effort is made to maintain efficient controls and still be cost effective at the satellite centers. Since June, 1993, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Webster City Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge. Since May, 1996, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Storm Lake Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge.

Discussion and review of receipting procedures take place periodically with supervisory staff at the centers.

Conclusion - Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE AND SIGNIFICANT DEFICIENCIES:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-08 Certified Budget - Expenditures for the year ended June 30, 2008 did not exceed the amounts budgeted.
- IV-B-08 Questionable Expenditures - No expenditures that did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-08 Travel Expense - No expenditures of Community College money for travel expenses of spouses of Community College officials or employees were noted. No travel advances to Community College officials or employees were noted.
- IV-D-08 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.
- IV-E-08 Bond Coverage - Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-08 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-08 Publication - The Community College published a statement showing the receipts and disbursements of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-H-08 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the College's investment policy were noted.
- IV-I-08 Credit/Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the Community College were supported by detailed records maintained by the Community College.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Central Community College during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Fort Dodge, Iowa
December 22, 2008